

Senator DOMENICI, along with Senator CORZINE and others, has come forward with I think a perfectly reasonable proposal on a payroll tax holiday whereby for 1 month neither employers nor employees would pay the Social Security payroll tax. The employees would keep that money in their paychecks. It would help people who are poor and also people who are not poor, but it would disproportionately help people at the lower end of the income spectrum. In addition, the employers would not pay their share of the payroll tax. It would help those businesses that are small and those that are not so small. I think disproportionately it might help those that are small more than those that are large. That idea, the idea of a payroll tax holiday for 1 month, if it were offered in lieu of the proposal to provide additional payroll tax rebate checks, in lieu of an expedited reduction in the 27 percent rate, and in lieu of an expedited expansion of the 10-percent bracket—that idea could be a very good compromise to bring Republicans and Democrats together.

The payroll tax holiday has the added virtue, frankly, of helping States. Like other employers, States pay payroll taxes for their State employees. If they had a 1-month holiday, it would help most States. My State is not hurting as badly as others. The unemployment rate is well below average, but we are hurting too, and my guess is so is South Dakota and others. A payroll tax holiday would also provide money in the pockets of people who are very likely to spend it, and we need some of that stimulus.

Another of the elements I want to mention today to provide a bridge between Democrats and Republicans on economic stimulus deals with what is called bonus depreciation, accelerated depreciation for capital investments that are made over the next 1, 2, or 3 years. Several principles were outlined for us in an agreement adopted earlier this fall by Democratic and Republican leaders of the House and Senate Budget Committee. Among those principles that were agreed to are these: the economic stimulus package should have an immediate impact; it should not have a long-term adverse consequence for a balanced budget; and it should be temporary in nature. The leaders of the budget committees agreed that all measures in the stimulus package should sunset in one year, to the extent practicable. If we take those three criteria and look at this notion of accelerated depreciation in order to stimulate capital investment, I think a compromise lies between what the House has agreed to and what the Senate is contemplating.

If you look at the history of the last 12 months or so in this country as our economy has wound down, one of the things that has happened is we have seen a drying up of capital investment.

There is a proposal offered by our Republican friends that says let's provide a 30-percent writeoff, 30-percent bonus depreciation for investments made over a 3-year period for companies that make those kinds of investments.

Senator BAUCUS, in his proposal, said we should provide a 10-percent depreciation bonus over a 12-month period of time. There is plenty of room to compromise between 10 percent and 30 percent, and I suggest 20 percent might be that compromise for accelerated depreciation, bonus depreciation if you would. As for the time period, we should stay true to the 1-year figure, as Senator BAUCUS has proposed and as the budget committee leadership suggested.

The third measure I have to offer as a compromise between Democrats and Republicans deals with a proposal I heard from Senator COLLINS of Maine and Senator LIEBERMAN of Connecticut that we adopted in the Congress before I got here, in 1993. It is a proposal to encourage investment in small cap companies, those whose capitalization is \$50 million or less. Those who hold investments in these companies—securities issued by those companies, issued for 5 years—the 1993 law promised a reduction by one-half in the capital gains tax. As it turns out, because of the alternative minimum tax that is in place, the practical effect of the incentive offered by the 1993 law is for the most part moot. There is just not much of an incentive anymore, especially when the capital gains rate is taken down to 20 percent.

I offer this. Look at a proposal offered by Senator COLLINS, cosponsored by Senator LIEBERMAN, to make the 1993 law work. That proposal says let's make the 1993 law work by taking away the effect of the alternative minimum tax for those who make investments in accordance with the 1993 law.

Those are three potential compromises which I think might bring us a little closer together as we try to work out some compromises. I hope we can get to work on this Railroad Retirement Act and hammer something out on that as well.

I yield my time.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I appreciate the remarks of the Senator from Delaware. I agree it is something on which we need to move forward.

EXECUTIVE SESSION

MOTION TO PROCEED

Mr. REID. I now move to proceed to executive session to consider the nomination of William Baxter of Tennessee to be a member of the Board of Directors of the Tennessee Valley Authority, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

Mr. REID. I announce that the Senator from North Dakota (Mr. CONRAD), the Senator from North Carolina (Mr. EDWARDS), and the Senator from California (Mrs. FEINSTEIN) are necessarily absent.

Mr. NICKLES. I announce that the Senator from Pennsylvania (Mr. SPECTER) and the Senator from New Hampshire (Mr. SMITH) are necessarily absent.

I further announce that if present and voting the Senator from New Hampshire (Mr. SMITH) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 95, nays 0, as follows:

[Rollcall Vote No. 342 Leg.]

YEAS—95

Akaka	Dorgan	Lugar
Allard	Dubin	McCain
Allen	Ensign	McConnell
Baucus	Enzi	Mikulski
Bayh	Feingold	Miller
Bennett	Fitzgerald	Murkowski
Biden	Frist	Murray
Bingaman	Graham	Nelson (FL)
Bond	Gramm	Nelson (NE)
Boxer	Grassley	Nickles
Breaux	Gregg	Reed
Brownback	Hagel	Reid
Bunning	Harkin	Roberts
Burns	Hatch	Rockefeller
Byrd	Helms	Santorum
Campbell	Hollings	Sarbanes
Cantwell	Hutchinson	Schumer
Carnahan	Hutchison	Sessions
Carper	Inhofe	Shelby
Chafee	Inouye	Smith (OR)
Cleland	Jeffords	Snowe
Clinton	Johnson	Stabenow
Cochran	Kennedy	Stevens
Collins	Kerry	Thomas
Corzine	Kohl	Thompson
Craig	Kyl	Thurmond
Crapo	Landrieu	Torricelli
Daschle	Leahy	Voinovich
Dayton	Levin	Warner
DeWine	Lieberman	Wellstone
Dodd	Lincoln	Wyden
Domenici	Lott	

NOT VOTING—5

Conrad	Feinstein	Specter
Edwards	Smith (NH)	

The motion was agreed to.

Mr. REID. Mr. President, I move to reconsider the vote.

Mr. DORGAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.